

# Indiana Department of Education



Office of Financial Management, Analysis, and Reporting

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## MEMORANDUM

TO: Superintendents, Business Managers, Treasurers, and Federal Projects  
Directors, and Charter School Sponsors

FROM: Peggy E. Smith  
Education Consultant

DATE: April 21, 2006

SUBJECT: Fiscal Year 2007 Indirect Cost Rates

The 2007 Indirect Cost Rates are now available on the School Finance Application Center. The URL is <https://dc.doe.state.in.us/StateAid/>. This is a secure site and will require the corporation user ID (4 digit corporation number) and PIN.

From the Welcome Page click on the tab titled *Non-Distributions* (left side of screen). Click on each tab (Expenditure by Function and Rate Determination) to review and print the documents. To print the Indirect Cost Reports you will need to set the print layout to landscape.

The rates may be used in any instance requiring indirect cost rates. This calculation is in accordance with our negotiated Delegation Agreement with the U.S. Department of Education. **Please share this information with those individuals in your school corporation who use indirect cost rates.**

The 2007 rates are calculated from the Biannual Financial Report data submitted by your corporation for Fiscal Year 2005 adjusted by the difference between the projected and actual indirect cost rates for Fiscal Year 2004.

Two rates, a Restricted Rate and an Unrestricted Rate have been calculated. The Restricted Rate excludes operation and maintenance of the physical plant and is the rate used for all purposes except for the recovery of indirect costs from the School Lunch Program. The enclosed Indirect Cost Allocation Plan FY 2007 Rates contain the fixed rates under the column labeled "2004-2005 DATA FOR FISCAL YEAR 2007".

For FY2006, the state average Restricted Rate is 2.44%; the state average Unrestricted Rate is 14.75%.

If you have any questions concerning your indirect cost rates or the documents enclosed, please contact me toll free (866) 234-1414 or 317-232-0840.